

## HUMAN SERVICES DEPARTMENT[441]

### Adopted and Filed

#### Rule making related to inpatient hospital readmission policy

The Human Services Department hereby amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code section 249A.4.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 249A.4.

#### *Purpose and Summary*

This amendment revises the current inpatient hospital 30-day readmission policy to exclude readmissions that are planned for repetitive or staged treatments and to clarify that the policy does not apply to critical access hospitals.

This amendment more closely aligns the Department’s rules with federal Medicare standards and policies and will result in lower cost savings to the Medical Assistance Program as compared to cost savings under the current readmission policy. The change in policy will result in a smaller number of inpatient hospital readmissions for the same condition based on the exclusion of planned readmissions for repetitive or staged treatments.

#### *Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on August 1, 2018, as **ARC 3923C**. The Department received no comments on this rule making during the public comment period. No changes from the Notice have been made.

#### *Adoption of Rule Making*

This rule making was adopted by the Council on Human Services on September 12, 2018.

#### *Fiscal Impact*

This rule making has a fiscal impact to the State of Iowa of \$100,000 annually or \$500,000 over five years. This amendment applies to fee-for-service reimbursement only and does not apply to managed care organizations. Criteria were established to isolate claims that will be impacted by this rule making. Claims were then pulled with paid dates between July 1, 2016, and June 30, 2017. Forty of those claims met the established criteria. The federal match rate is assumed to be 68.25 percent based on the estimated blend between regular Medicaid and Iowa Health and Wellness Plan inpatient claims.

#### *Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rule making will become effective on November 14, 2018.

The following rule-making action is adopted:

Amend subparagraph **79.1(5)“g”(5)** as follows:

(5) Inpatient readmissions within 30 days for same condition. Effective for dates of service on or after July 1, 2015, when an inpatient is discharged or transferred from an acute care hospital and is readmitted as an inpatient to the same hospital within 30 days for the same condition, any claim for the subsequent inpatient stay shall be combined with the claim for the original inpatient stay and payment shall be under a single DRG for both stays. The readmission policy does not apply to the following:

1. Scheduled readmissions that are part of repetitive or periodic treatments; and
2. Critical access hospitals.

[Filed 9/12/18, effective 11/14/18]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/10/18.